powers vested with/delegated to them under the Essential Commodities Act, 1955 to bring out hoarded stock of these items in the open market to ensure their availability to the common people at reasonable prices.

Reduction in customs duty

784. SHRI SITARAM YECHURY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government reduced customs duty on several items including cement, capital goods, project imports etc. to contain the inflation;

(b) if so, the rationale behind and impact of the decision on inflation;

(c) whether there will be any adverse effect on domestic producers and on employment; and

(d) what will be the potential revenue loss to Government resultant to this decision?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) In January, 2007, Government had reduced customs duty on many industrial raw materials, cement, capital goods and project imports, with a view to reduce costs of investment and production, and to have some check on prices. Import duty on edible oils was also reduced as the domestic prices have been reigning high.

(c) Customs duty reduction on basic raw materials, inputs and capital goods is expected to reduce costs of production, and promote investment. As the domestic industry will still have some protection, these measures should not have any significant adverse impact on employment.

(d) Revenue loss on account of customs duty reductions in January, 2007 is estimated at about Rs. 4,000 crore in a full year, at the current level of imports.

Re-phasing of farmers' loans by banks

785. SHRIMATI PREMA CARIAPPA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that when the production and prices of agricultural produce, are high, farmers are induced by the banks into taking loans at